

2012 AARP Survey of Members in Indiana on Retirement Security

The AARP Indiana State Office commissioned a survey to explore the views of its members on the topics of long-term care, caregiving, livable communities, retirement security, older workers and utilities. This brief focuses on the topic of retirement security.

These results are based on a mail survey fielded August 21 to September 18, 2012 of 2,000 AARP members in Indiana. A total of 733 surveys were returned yielding a margin of error of ± 3.7 percent. The results are weighted to reflect the AARP membership population in Indiana. This report is based on 733 weighted responses. An annotated survey of the weighted responses to the retirement security questions begins on page 6 followed by a description of the methodology. Responses to all questions asked in this survey are available upon request.

Survey-In-Brief

- ❖ **50+ AARP members in Indiana are not confident that they will be financially secure and live comfortably in their retirement years.**
 - ✓ 37% are not very or not at all confident that they will live comfortably throughout their retirement years, and another 43% are only somewhat confident about their financial security during retirement.
 - ✓ 14% are extremely or very confident that they will have or currently have enough money to live comfortably throughout their retirement years.

- ❖ **50+ AARP members in Indiana say they are saving or have saved some for their retirement.**
 - ✓ 57% say they are currently saving or have saved for their retirement, not including Social Security. However, 30% say they are not saving or have not saved for their retirement. Saving is more prevalent among those with higher incomes.
 - ✓ 30% say they have less than \$100K in savings. 25% have at least \$100K but less than \$250K. 18% have at least \$250K but less than \$500K, and 16% have \$500K or more in savings.

- ❖ **50+ AARP members in Indiana mostly keep their retirement savings in bank or retirement accounts.**
 - ✓ 67% keep their retirement savings in their bank accounts.
 - ✓ 56% have their savings in pensions and 401Ks.
 - ✓ 55% have their savings in IRAs.

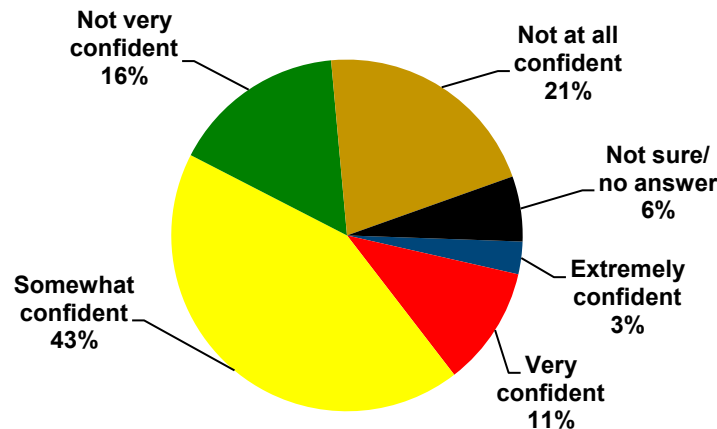
- ❖ **50+ AARP members in Indiana support giving employers, who don't currently offer retirement plans, a way to help their employees save for retirement.**
 - ✓ 70% believe employers should be required to provide retirement savings plans for their workers while only 11% do not believe in requiring employers to do this and 17% are not sure.
 - ✓ 57% support providing a state-run vehicle for employers that allows workers to regularly save a part of their pay in a personal individual retirement account or IRA even if the employer does not contribute to that account. 8% opposes this proposal. 34% neither support nor oppose or are not sure.
 - ✓ 44% say they would be more likely to vote for a candidate for Governor who supports providing a vehicle for employers to offer workers the option of depositing a portion of their pay into a personal individual retirement account or IRA. Only 6% say they would be less likely to vote for such a candidate. 31% say it would make no difference in how they vote, and 17% are not sure.

Detailed Findings

Most 50+ AARP members in Indiana are not confident that they will have or currently have enough money to live comfortably throughout their retirement years.

- ✓ Only one in seven are extremely or very confident that they will have or currently have enough money to live comfortably throughout their retirement years.
- ✓ Nearly two in five are not very or not at all confident that they will live comfortably throughout their retirement years, and another two in five are only somewhat confident about their financial security during retirement.

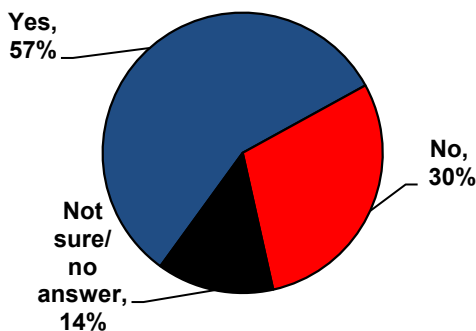
Confidence in having Enough Money to Live Comfortably Throughout Retirement Years (n=733)



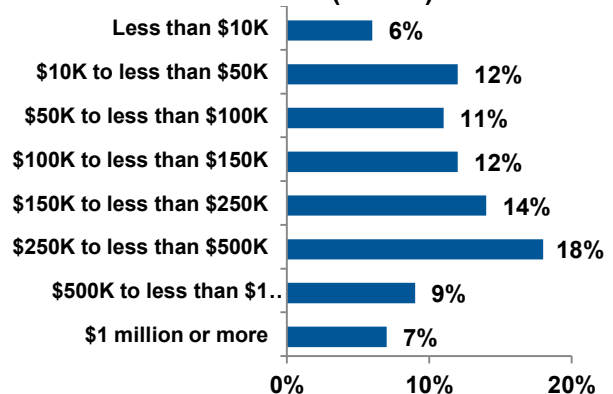
The majority of 50+ AARP members in Indiana says they are currently saving or have saved money for retirement.

- ✓ More than half say they are currently saving or have saved for their retirement, not including Social Security. However, three in ten say they are not saving or have not saved for their retirement. Those with incomes under \$20,000 are much less likely than those with higher incomes to say they are saving or have saved for retirement (52% vs. 25%).
- ✓ Indiana 50+ members who are saving or have saved were asked how much they have in savings including certificates of deposit, stocks, bonds, mutual funds and employer-sponsored retirement savings plans. Three in ten have less than \$100K in savings. One in eight has at least \$100K but less than \$150K. One in seven has at least \$150K but less than \$250K and close to one in five has at least \$250K but less than \$500K. About another one in six has \$500K or more in savings.

Status of Saving for Retirement (n=733)



Amount of Money Indiana Members Currently Have in Savings (n=418)

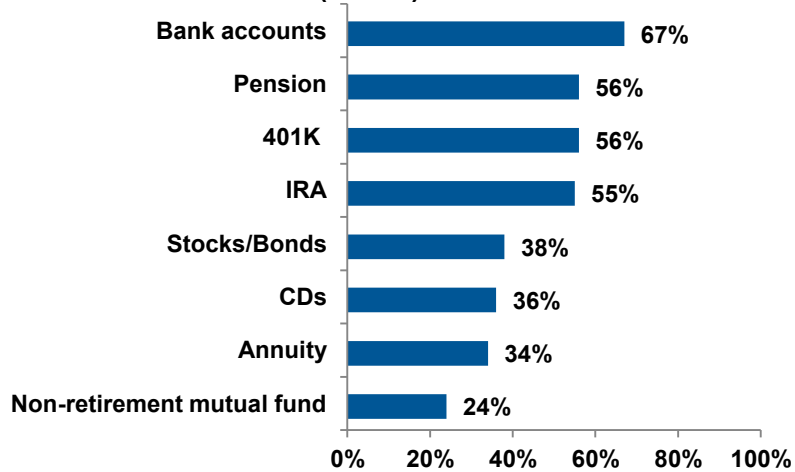


*Percentages may not add up to 100 percent due to rounding.

Most 50+ AARP members in Indiana have their retirement savings in bank or retirement accounts.

- ✓ Over two-thirds keep their retirement savings in their bank accounts.
- ✓ Over half have their savings in pensions, 401Ks and IRAs.
- ✓ Approximately a third keeps their savings in stocks and bonds, certificates of deposit (CDs) or annuities while about a quarter use a non-retirement mutual fund for their retirement savings.

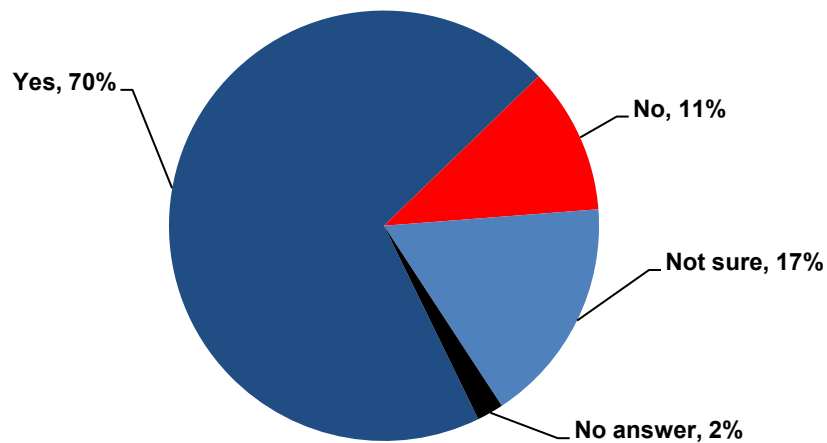
Types of Accounts where Indiana Members have Their Savings
(n=418)



50+ AARP members in Indiana believe that employers should be required to provide a retirement savings plan for their employees.

- ✓ Seven in ten believe employers should be required to provide retirement savings plans while only about one in ten do not believe in requiring employers to do this.

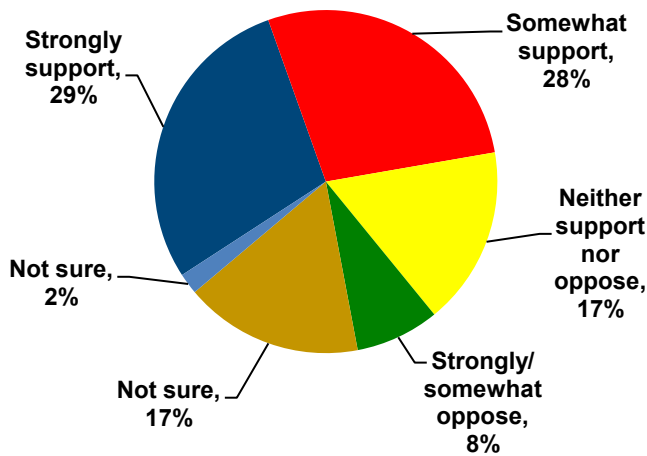
Opinion About Requiring Employers to Provide Retirement Savings Plans
(n=733)



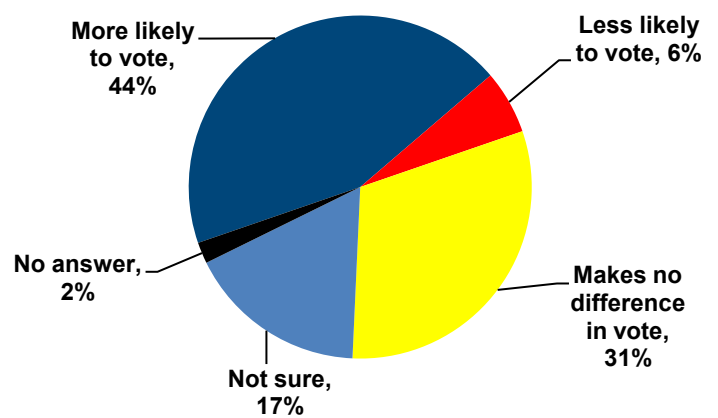
50+ AARP members in Indiana support providing a way for employers to offer retirement plans for their employees even if the employer does not contribute to the plan.

- ✓ Nearly six in ten support providing a state-run vehicle for employers, who do not offer a retirement plan, that allows workers to save a part of their pay in a personal individual retirement account or IRA even if the employer does not contribute to that account. Fewer than one in ten opposes this proposal and one in six neither support nor oppose it.
- ✓ More than two in five say they would be more likely to vote for a candidate for Governor who supports giving employers a way to help their employees save a portion of their pay in a personal individual retirement account or IRA. Only six percent say they would be less likely to vote for such a candidate and three in ten say it would make no difference in how they vote. One in six is not sure.

Support and Opposition for Providing a Vehicle for Employers to Offer Retirement Plans for Employees (n=733)



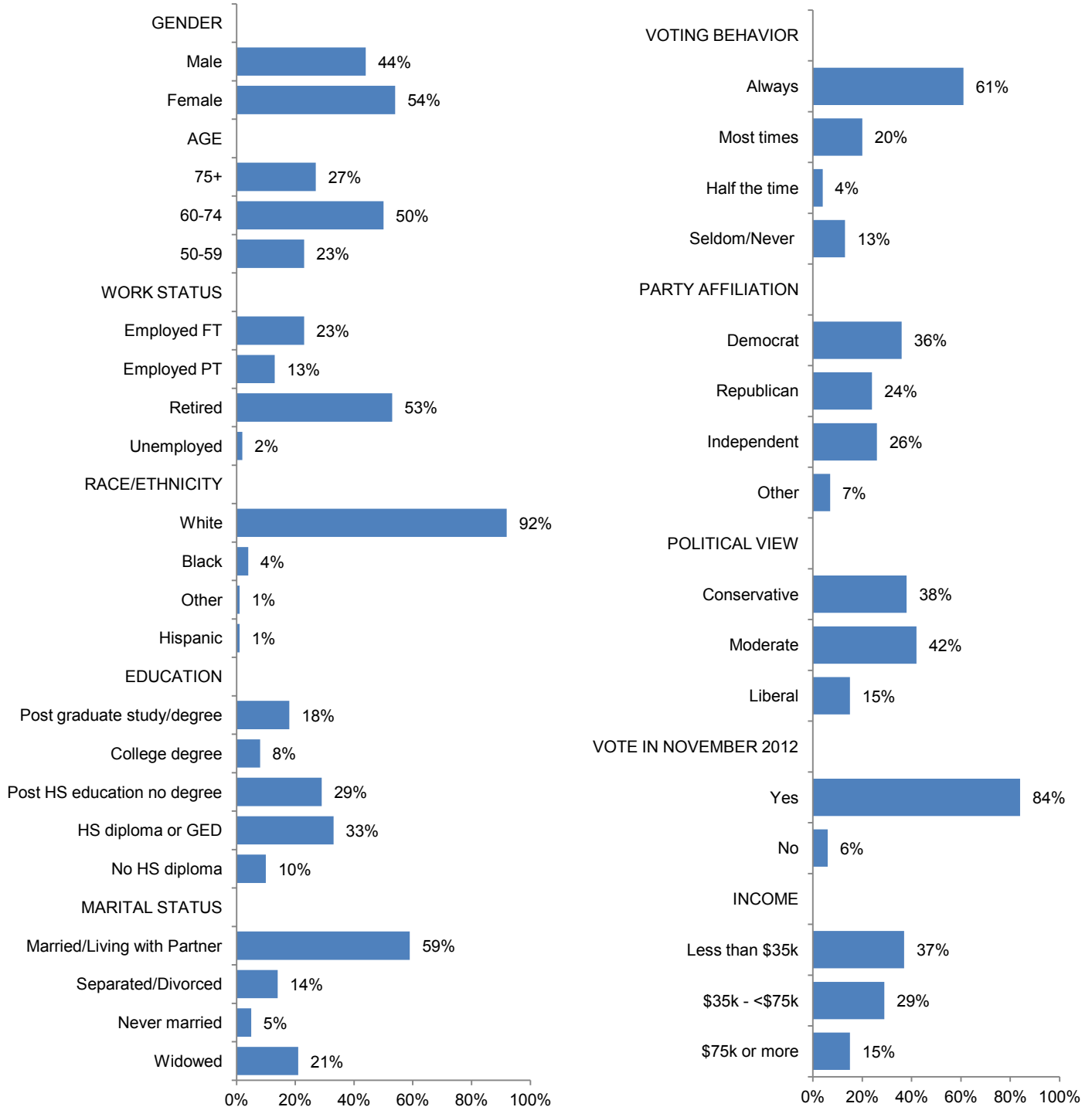
Likelihood of Voting for a Candidate Who Supports Providing a Vehicle for Employers to Offer Retirement Plans (n=733)



*Percentages may not add up to 100 percent due to rounding.

Demographic Profile of Respondents

- ✓ Less than a quarter of survey respondents are ages 50-59, half are ages 60-74, and over a quarter are ages 75 or older. Most respondents are married or living with a partner. The majority is retired and about a quarter is employed full-time. The majority has a high school or post high school education but no college degree. The majority has an annual household income of less than \$75,000. Over a third identifies their political party as Democrat and a quarter as Republican or Independent. The majority votes always or most of the time. About two in five identify themselves as conservative or moderate in their political views and about one in seven say they are liberal. More than four in five say they intend on voting in the November 2012 Presidential election.



2012 AARP Survey of Members in Indiana on Long-Term Care
(Weighted by Age & Gender, N=733 members)

Retirement Security

39. Overall, how confident are you that you will have or currently have enough money to live comfortably throughout your retirement years?

%

- 3 Extremely confident
- 11 Very confident
- 43 Somewhat confident
- 16 Not very confident
- 21 Not at all confident
- 5 Not sure
- 1 No answer

40. Not including Social Security taxes or employer-provided money, are you currently saving or have you saved any money for retirement?

%

- 57 Yes → **GO TO Question 41**
- 30 No → **GO TO Question 43**
- 7 Not sure → **GO TO Question 43**
- 6 No answer

41. In total, about how much money would you say you currently have in savings and investments, not including the value of your primary residence? Please include savings, certificates of deposits, stocks, bonds, mutual funds, employer-sponsored retirement savings plans, and other investments, but do not include the value of defined benefit plans. (N=418)

%

- 1 Less than \$1,000
- 5 \$1,000 to less than \$10,000
- 4 \$10,000 to less than \$25,000
- 8 \$25,000 to less than \$50,000
- 11 \$50,000 to less than \$100,000
- 12 \$100,000 to less than \$150,000
- 14 \$150,000 to less than \$250,000
- 18 \$250,000 to less than \$500,000
- 9 \$500,000 to less than \$1 million
- 7 \$1 million or more
- 12 No answer

**42. In the following types of accounts, are you saving or have you saved money for retirement?
(n=418)**

	Yes	No	No Answer
	%	%	%
a. 401K retirement savings plan.....	56	21	24
b. IRA	55	21	24
c. Annuity	34	34	32
d. Non-retirement mutual fund, outside of a retirement account	24	40	36
e. Bank accounts	67	12	21
f. CD's.....	36	34	30
g. Pension	56	19	24
h. Stocks/bonds.....	38	28	34
i. Other	5	95	0

43. Do you think that employers should be required to provide a retirement savings plan for their employees?

%	
70	Yes
11	No
17	Not sure
2	No answer

44. One proposal to help people save for retirement is to provide a vehicle for employers, who do not offer a retirement plan, that allows workers to regularly save a part of their paycheck in a personal individual retirement account or IRA even if the employer does not contribute to that account. This plan would be administered through the state retirement system and have low fees for employers. How strongly do you support or oppose this proposal?

%	
29	Strongly support
28	Somewhat support
17	Neither support nor oppose
3	Somewhat oppose
5	Strongly oppose
17	Not sure
2	No answer

45. Would you be more or less likely to vote for a candidate for Governor who supports providing a vehicle for employers to offer workers the option of depositing a portion of their pay into a personal individual retirement account or IRA or would it make no difference in your voting behavior?

%	
44	More likely to vote for a gubernatorial candidate who supports providing a vehicle for employers to offer workers the option of depositing a portion of their pay into an IRA
6	Less likely to vote for a gubernatorial candidate who supports providing a vehicle for employers to offer workers the option of depositing a portion of their pay into an IRA
31	Would not make a difference in your voting behavior
17	Not sure

About You

The following questions are for classification purposes only and will be kept entirely confidential.

D1. Are you male or female?

%

- 44 Male
- 54 Female
- 2 No answer

D2. What is your age as of your last birthday? (in years)

%

- 23 50-59
- 50 60-74
- 27 75+
- <.5 No answer

D3. What is your current marital status?

%

- 57 Married
- 2 Not married, living with partner
- 1 Separated
- 13 Divorced
- 21 Widowed
- 5 Never married
- 1 No answer

D4. Do you own or rent your primary residence?

%

- 85 Own
- 10 Rent
- 4 Other
- 1 No answer

D5. Besides you, do you have any of the following people living in your household?

	Yes	No	No Answer
	<u>%</u>	<u>%</u>	<u>%</u>
a. Spouse or partner	58	25	18
b. Child/children under 18	4	60	36
c. Child/children 18 or older	12	54	33
d. Child/children away at college.....	3	60	38
e. Grandchildren under 18	2	60	38
f. Grandchildren 18 or older	3	61	36
g. Parents/parents-in-law	2	61	38
h. Other relatives	2	60	38
i. Others not related to you or your spouse or partner	2	60	38
j. No other people in household	24	49	27

D6. Do you have any kind of health care coverage, including employer-provided health insurance, private health insurance, or government plans such as Medicare or Medicaid?

%

- 92 Yes → **GO TO Question D7**
- 4 No → **GO TO Question D8**
- 1 Not sure → **GO TO Question D8**
- 4 No answer

D7. Do you have health care coverage through the following sources? (n=674)

	Yes	No	No Answer
	<u>%</u>	<u>%</u>	<u>%</u>
a. Current employer or spouse's current employer	29	39	32
b. Past employer or spouse's past employer (may be a retirement benefit)	21	44	35
c. On your own through an individual insurance policy	29	38	33
d. Medicare	63	20	17
e. Medicaid	9	48	44
f. Veteran's Administration (VA) or military benefits	9	48	44

D8. Does any disability, impairment or chronic disease keep you from participating fully in work, school, household, or other activities?

%

- 24 Yes
- 68 No
- 4 Not sure
- 1 Refused
- 3 No answer

D9. What is the highest level of education that you completed?

<u>%</u>	
10	0-12 th grade (no diploma)
33	High school graduate (or equivalent)
20	Post-high school education (no degree)
10	2-year college degree
8	4-year college degree
4	Post-graduate study (no degree)
14	Graduate or professional degree

D10. Are you of Hispanic, Spanish, or Latino origin or descent?

<u>%</u>	
1	Yes
96	No
3	No answer

D11. What is your race?

<u>%</u>	
92	White or Caucasian
4	Black or African American
<.5	American Indian or Alaska Native
<.5	Asian
0	Native Hawaiian or other Pacific Islander
1	Other

D12. Thinking about state elections for Indiana Governor and Legislators in the last 10 years, how often would you say you vote?

<u>%</u>	
61	Always
20	Most of the time
4	Almost half of the time
8	Seldom
5	Never
3	No answer

D13. Do you plan to vote in the upcoming election this November 2012 for Indiana's Governor?

<u>%</u>	
84	Yes
6	No
8	Not sure
2	No answer

D14. Do you consider yourself to be a Democrat, Republican, Independent, or something else?

<u>%</u>	
36	Democrat
24	Republican
26	Independent
7	Something else
7	No answer

D15. In general, would you describe your political views as very conservative, somewhat conservative, moderate, somewhat liberal, or very liberal?

<u>%</u>	
9	Very conservative
29	Somewhat conservative
42	Moderate
11	Somewhat liberal
4	Very liberal
5	No answer

D16. In the last 12 months, have you accessed the Internet or sent or received email?

<u>%</u>	
70	Yes → GO TO Question 17
28	No → GO TO Question 19
3	No answer

D17. In the last 12 months, have you visited any of AARP's Internet/Web sites (aarp.org, AARPmagazine.org, etc.)? (N=509)

<u>%</u>	
35	Yes
63	No
3	No answer

D18. Do you do any of the following activities when you use the Internet? (n=509)

	Yes	No	No
	<u>%</u>	<u>%</u>	<u>Answer</u>
			<u>%</u>
a. Send and receive email	95	4	1
b. Perform online banking or other financial services.....	55	40	5
c. Seek information on community events, news, or schedules	73	22	5
d. Buy or make a reservation online for a travel service, such as an airline ticket, hotel room, or rental car	64	32	4
e. Buy a product online, such as books, music, toys, clothing.....	72	24	4
f. Use a social networking site like Facebook or Twitter.....	49	47	4

D19. What is your 5-digit ZIP Code? (Write in your ZIP CODE) :

D20. What city or town do you live in? _____ (Write in city or town)

D21. What was your annual household income before taxes in 2011?

<u>%</u>	
5	Less than \$10,000
11	\$10,000 to \$19,999
21	\$20,000 to \$34,999
13	\$35,000 to \$49,999
8	\$50,000 to \$59,999
8	\$60,000 to \$74,999
6	\$75,000 to \$99,999
9	\$100,000 or more
9	Not sure
10	No answer

Full Methodology

AARP commissioned a mail survey of 2,000 members in Indiana between August 21, 2012 and September, 18, 2012. Surveys were mailed to a statewide sample of members, stratified by age to select members proportionate to each of three age groups: 50-59, 60-74, and 75+. Each sampled member was contacted about the survey in four ways: a pre-notification postcard, the survey itself, a reminder postcard, and a second survey. Of those surveyed, 733 completed questionnaires were used yielding a response rate of 37 percent. The survey has a sampling error of ± 3.7 percent at the 95% level of confidence. This means that in 95 out of 100 samples of this size, the results would be within ± 3.7 percentage points of the results obtained had everyone in the population completed a survey. Responses were weighted to reflect the actual distribution of members by age. The weighted number of responses for this survey is also 733. Throughout the report, statistics representing member responses are reported in percentages which may not add up to 100 due to rounding and non-response. Also due to rounding, the percents reported in the text may vary slightly from those in the annotation or in graphs.

AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment security and retirement planning. We advocate for consumers in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP VIVA, a bilingual news source. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

State Research brings the right knowledge at the right time to our state and national partners in support of their efforts to improve the lives of people age 50+. State Research consultants provide strategic insights and actionable research to attain measurable state and national outcomes. The views expressed herein are for information, debate, and discussion, and do not necessarily represent official policies of AARP.

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Research and Strategic Analysis

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